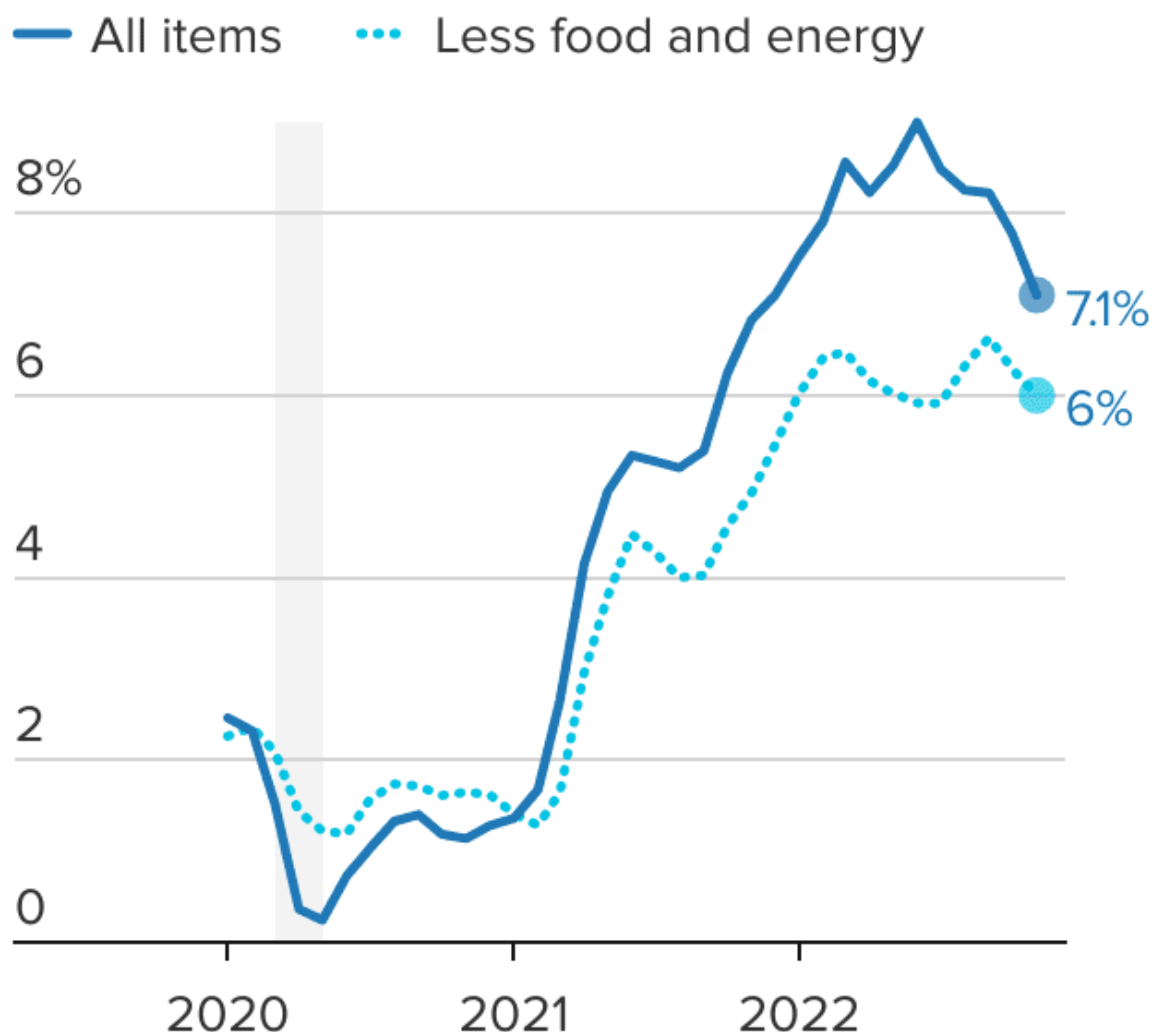


Consumer price inflation came in hot once again in November, but less hot than the previous several months. And therein lies how things can get better, even when the headlines don't overtly scream that they are.

U.S. consumer price index

Year-over-year percent change in November 2022



Note: Data as of Dec. 13, 2022

Shaded area indicates recession.

Chart: Gabriel Cortes / CNBC

Source: U.S. Bureau of Labor Statistics



Keep in mind, this is what it takes to continue to change the tune in terms of how the markets are pricing in the length and duration of quantitative tightening up to this point. For reference, this tightening cycle is the fastest takeoff in modern history.



Comparing the Speed of U.S. Interest Rate Hikes

Rates are **rising faster than any other time in recent history.**

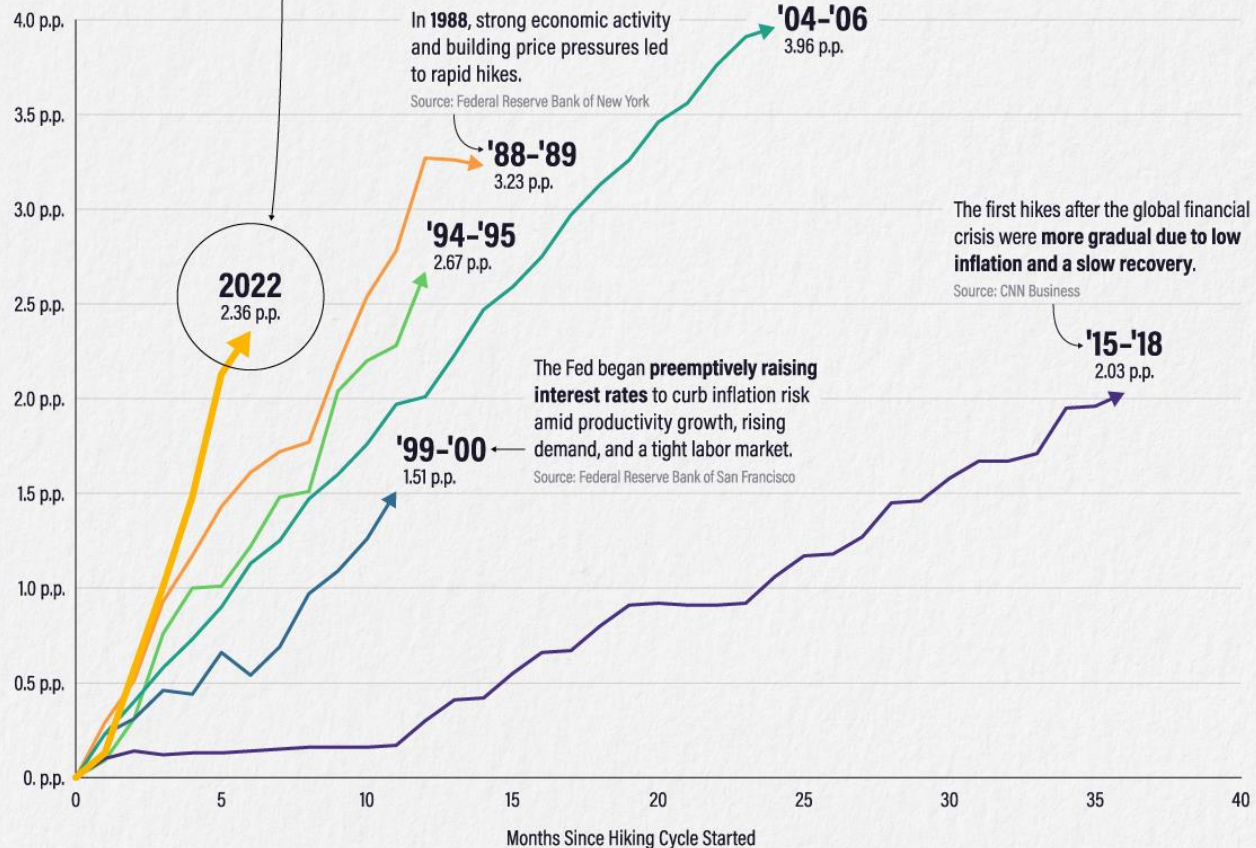
The Federal Reserve is aggressively raising rates as high inflation continues. In just six months, the effective federal funds rate has risen by **more than 2 percentage points**.

How does this compare to other periods of interest rate hikes over the past 35 years?

i The effective federal funds rate is a weighted average of the rate banks use to lend money to each other overnight. It is determined by the market, but is influenced by the Federal Reserve's target.

Change in Effective Federal Funds Rate

Percentage Points



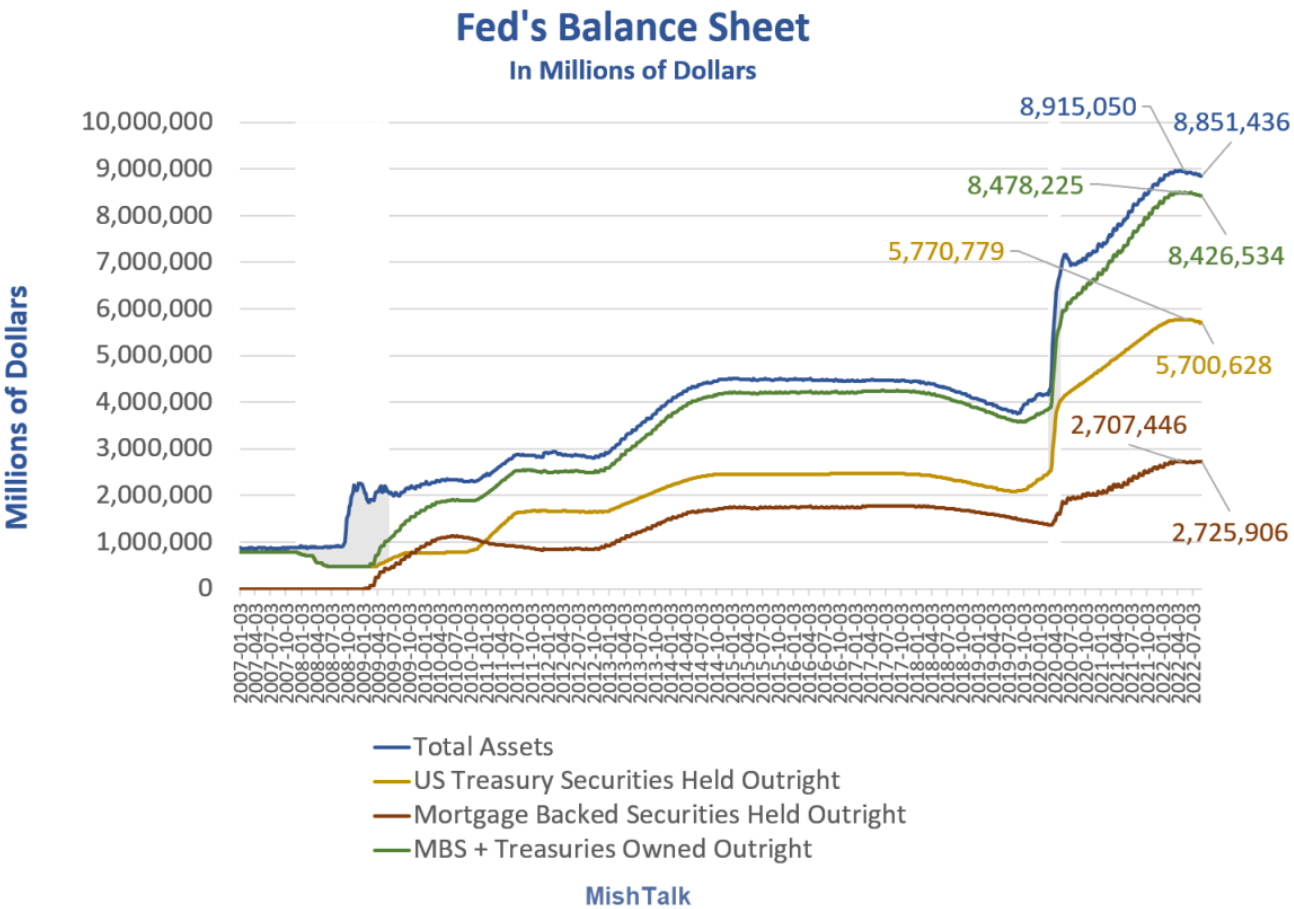
Source: Federal Reserve. Chart inspired by Charttr. Month 0 is the month when the first interest rate hike in the cycle occurred. The 2022 cycle reflects the change in the effective federal funds rate up to September 2022. We considered an interest rate hike cycle to be any time period when the Federal Reserve raised rates at two or more consecutive meetings.



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COLLABORATORS RESEARCH + WRITING Jenna Ross | ART DIRECTION + DESIGN Sabrina Lam

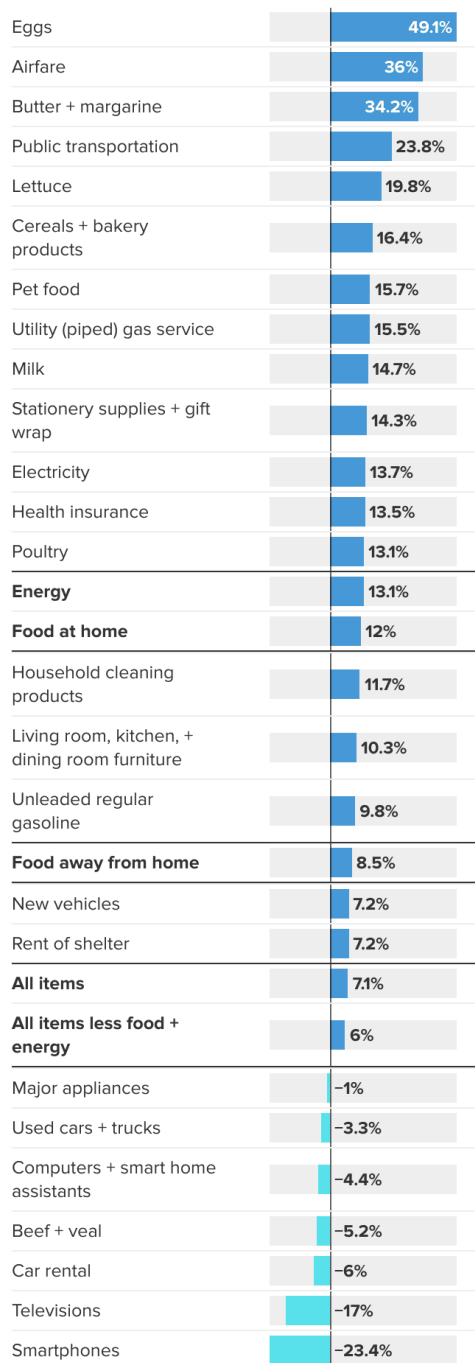
And this is the disgustingly bloated beast that needs to get slimmed down. Appalling in its largess, isn't it? All in the name of saving the world from a really bad cold.



Here is the breakdown of where inflation resides in the economy, and where it remains uncomfortably high. Who knew that the best performing asset class this year would be eggs, with butter and margarine not far behind.

Here's the inflation breakdown for November 2022 — in one chart

These are some of the core categories, plus other items with notable year-over-year price changes.



Note: Items in bold represent major consumer price index categories.

Table: Gabriel Cortes / CNBC

Source: U.S. Bureau of Labor Statistics' Consumer Price Index published Dec. 12, 2022



If you don't think that airfare number is accurate, think again. I've been working on getting bodies from here to there in the western states the past few months and unless you are looking to fly LAX to Salt Lake City via Spirit it's been a futile effort. I managed to grab one of the last pure economy tickets from Santa Barbara to Montana for \$290 a week ago. To get on the same flight today it would cost you twice as much.



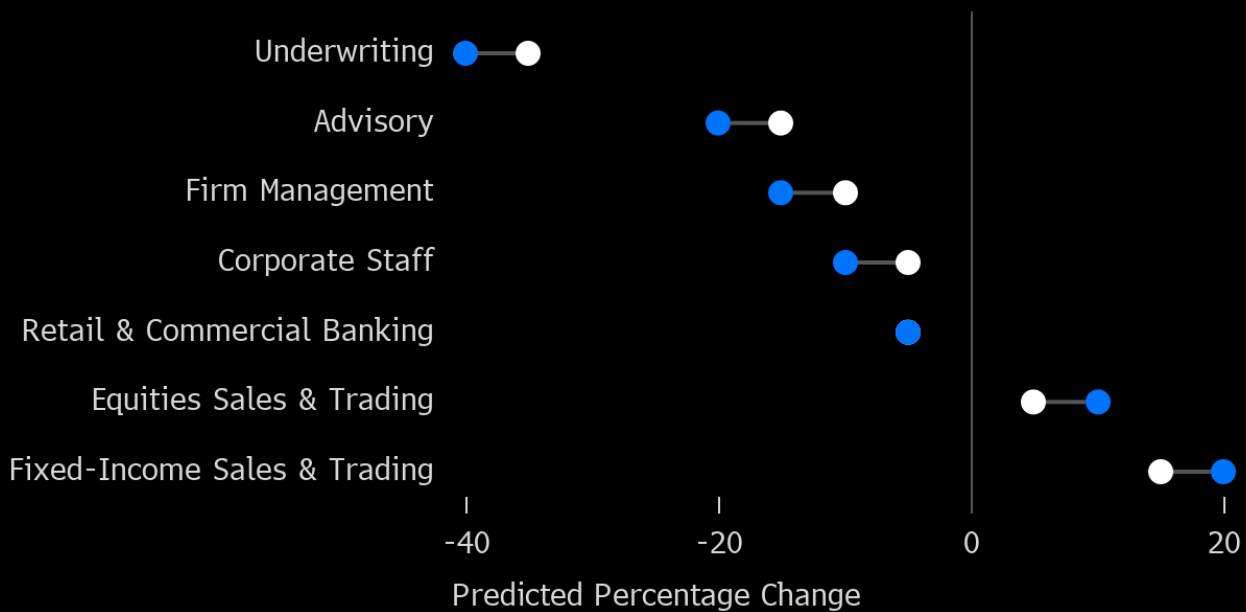
It's Christmas Time in Hollis Queens, and a whole bunch of other places where over the years singers have belted out some of the absolute most painful yet sometimes beautiful songs celebrating the birth of little baby Jesus. Mariah Carey, there is a place in hell for you.



Speaking of places in hell, that's where Wall Street bonuses have gone this year where the average is down 25% and areas like M&A have been cut in half. But what would you expect when a bubble bursts. In all honesty, the headlines should read "Wall Street Bankers Bonus in 2022? Their Job!" But alas, the music keeps playing and the dancers keep dancing. Nice work, if you can find it.

Bonus Outlook

Wall Street bonuses seen shrinking as much as 40% for 2022



Source: Johnson Associates

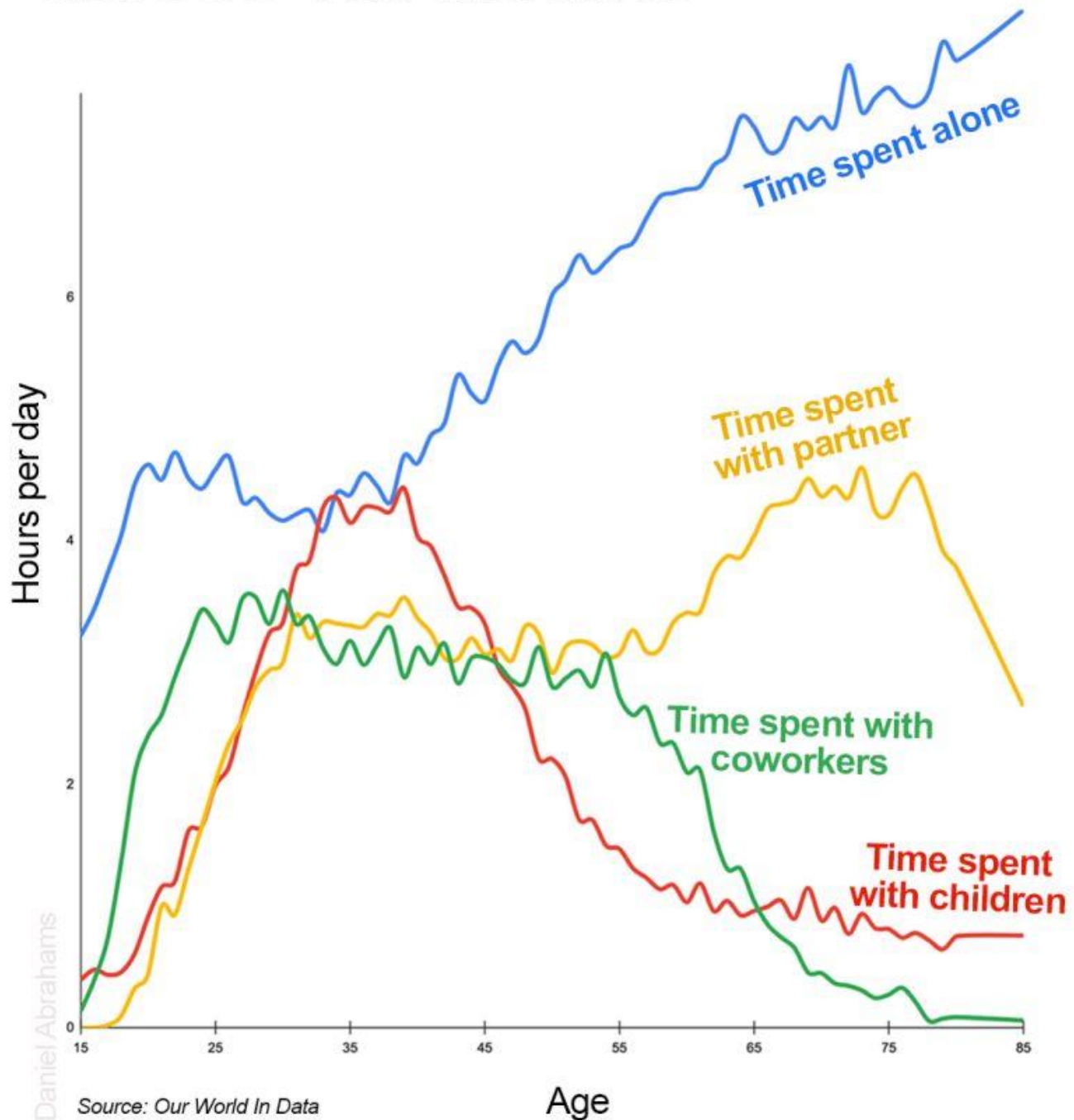
Bloomberg

Later this month, I'm going to shed the surly bonds of California and do what many other have already done before me, relocate. While not full time for sure, I will be saying goodbye to my residency in the Golden State that dates to 1976.

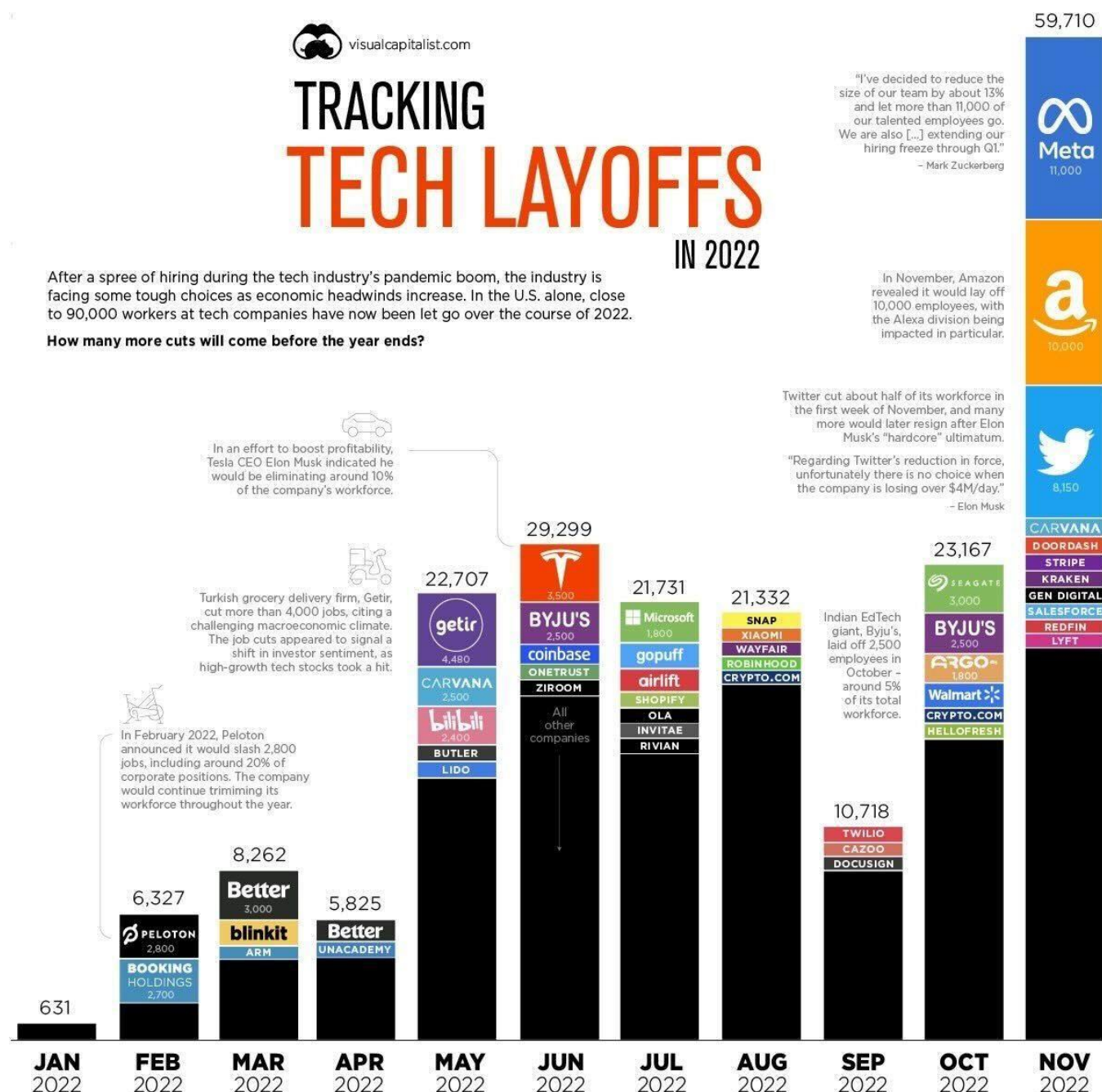


As regular readers know, my new home will be on the firm soil of the Treasure State where I will lay claim to being a fourth generation Montanan. At the advanced age of 50, I'm right on time for the chart below. See boys, it's not just me. Now the question becomes, how do you do the dance between being alone, but not being lonely.

Who we spend our time with across our lifetime



Speaking of alone, if you are one of those working in big tech that got laid off in the past six months, you are not alone. While not surprising, this chart for sure opens the eyes in terms of how big the actual numbers are. The hiring rate that preceded this was like nothing we've ever seen before.



Source: trueup.io/layoffs

Shorter than usual notes this week and we too are scrambling around trying to put bows on things. For the rest of the year, I will be writing from the Treasure State, and all that comes with it. Look for the 2022 Year in Hedge Funds piece coming your way in the next couple of weeks where we will give the ever-changing world of 2% and 20% a thorough review, and irreverent drubbing.

Institution Name	Equity Assets (\$ Billions)	Institution Name	Equity Assets (\$ Billions)
Millennium Management LLC	\$88	Triam Fund Management LP	\$5
Renaissance Technologies LLC	78	Maverick Capital Ltd.	5
Citadel Advisors LLC	60	Zimmer Partners LP	5
D. E. Shaw & Co. LP	54	RTW Investments LP	5
AQR Capital Management LLC	51	Avidity Partners Management LP	5
Adage Capital Management LP	44	Southpoint Capital Advisors LP	5
Two Sigma Advisers LP	37	Altimeter Capital Management LP	5
Two Sigma Investments LP	29	Glazer Capital LLC	4
Acadian Asset Management LLC	28	Pentwater Capital Management LP	4
Point72 Asset Management LP	27	Himalaya Capital Management LLC	4
Balyasny Asset Management LP	26	Glenview Capital Management LLC	4
Viking Global Investors LP	24	Armistice Capital LLC	4
Icahn Associates Holding LLC	23	Skye Global Management LP	4
Voloridge Investment Management LLC	21	Tudor Investment Corp.	4
Holocore Advisors, LP	18	Rock Springs Capital Management LP	4
Numeric Investors LLC	17	Weiss Multi-Strategy Advisers LLC	4
Baker Bros. Advisors LP	16	Whale Rock Capital Management LLC	4
Cubist Systematic Strategies LLC	15	Junto Capital Management LP	4
Farallon Capital Management LLC	15	Stockbridge Partners LLC	4
Pershing Square Capital Management LP	13	Laurion Capital Management LP	4
Schonfeld Strategic Advisors LLC	13	Steadfast Capital Management LP	4
Echo Street Capital Management LLC	12	Kayne Anderson Capital Advisors LP	4
Lone Pine Capital LLC	12	Ecor1 Capital LLC	4
Squarepoint OPS LLC	12	Abrams Capital Management LP	4
Tiger Global Management LLC	11	Route One Investment Co. LP	4
Soroban Capital Partners LP	10	The WindAcre Partnership LLC	4
Alyeska Investment Group LP	10	Knighthead Capital Management LLC	3
Coatue Management LLC	10	UBS O'Connor LLC	3
ValueAct Capital Management LP	9	Davidson Kempner Capital Management LP	3
Hudson Bay Capital Management LP	8	Deerfield Management Co. LP	3
ExodusPoint Capital Management LP	8	AltaRock Partners LLC	3
Oaktree Capital Management LP	8	GMT Capital Corp.	3
Mirova US LLC	7	Twin Tree Management LP	3
Woodline Partners LP	7	Parallax Volatility Advisers LP	3
The Baupost Group LLC	7	Camber Capital Management LP	3
SRS Investment Management LLC	7	Sachem Head Capital Management LP	3
Sculptor Capital LP	7	Gotham Asset Management LLC	3
Third Point LLC	7	Trexquant Investment LP	3
IndexIQ Advisors LLC	7	Perceptive Advisors LLC	3
Saba Capital Management LP	7	CNH Partners LLC	3
Magnetar Financial LLC	7	SCGE Management LP	3
Matrix Capital Management Co. LP	6	Redmile Group LLC	3
Verition Fund Management LLC	6	Weiss Asset Management LP	3
Avoro Capital Advisor LLC	6	Meritage Group LP	3
BlueSpruce Investments LP	5	Moore Capital Management LP	3
Samlyn Capital LLC	5	Senvest Management LLC	3
Aristeia Capital LLC	5	Highbridge Capital Management LLC	3
Eminence Capital LP	5	HMI Capital LLC	3
Starboard Value LP	5	PAR Capital Management, Inc.	3
RA Capital Management LP	5	Atreides Management LP	3

	Equity Assets (\$ Billions)	As a % of Total
Largest 50	\$918	61%
Largest 100	1,103	73
Total 786	\$1,506	100%